

FIRST REGULAR SESSION

# SENATE BILL NO. 327

94TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR LOUDON.

Read 1st time January 18, 2007, and ordered printed.

TERRY L. SPIELER, Secretary.

1128S.011

## AN ACT

To amend chapter 507, RSMo, by adding thereto one new section relating to an insurance company's right to intervene in civil actions to determine coverage obligations.

*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Chapter 507, RSMo, is amended by adding thereto one new section, to be known as section 507.091, to read as follows:

**507.091. 1. When a civil action is filed in the courts of this state and an insurer may be obligated to provide a defense to such action or indemnity for any judgment rendered therein, such insurer shall have the right to intervene in such action and request the court to determine the extent of the insurer's coverage obligations, while reserving its rights with regard to providing coverage for the claims in the underlying civil action.**

**2. If an insurer does intervene, the court shall finally determine the extent of coverage before proceeding with the merits of the underlying action. The judgment of the trial court as to coverage shall be immediately appealable, notwithstanding issues relating to the underlying action remaining unresolved. When a judgment on the issues of coverage becomes final, the insurer shall be dismissed from the underlying action. If the insurer previously has undertaken the defense of the person named as a defendant in the underlying action and the final judgment on the coverage issues determines that it has no obligation to provide such defense, it may withdraw such defense.**

**3. Notwithstanding any other provision of law to the contrary, if an insurer proceeds in the manner prescribed in this section, the**

20 insurer's action shall not constitute a breach, either present or  
21 anticipatory, of any contract of insurance.

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